Lower reduction in domestic support by WTO members

2568. SHRI RAJKUMAR DHOOT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government is going to settle for a lower reduction in domestic support by WTO members of developed countries;

(b) if so, the details thereof and the reasons therefor; and

(c) how far such a stand would help India in its constructive role in the WTO rounds of negotiations?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) A Declaration was adopted at the conclusion of the Sixth Ministerial Conference of the World Trade Organisation (WTO) held between 13-18 December 2005 at Hong Kong. The Declaration stipulates that in a three-band structure for reducing trade-distorting domestic support, the Member with the highest level (EU) of permitted support will be in the top band with the highest cuts, the two Members with the second and third highest levels of support (Japan and US) will be in the second band, and all other developed countries and such developing countries that have entitlement to provide Aggregate Measurement of Support (AMS) will be in the lowest band with the smallest cuts. Furthermore, disciplines will be developed to achieve effective cuts in trade-distroting domestic support. Developing countries like India, with no commitments on reduction of Aggregate Measurement of Support would be exempted from reduction in their de-minims support.

Members will negotiate the exact quantum of cuts to be effected to the trade distorting domestic support as part of finalization of modalities in agriculture. In agriculture, ambition across the three pillars of domestic support, market access and export subsidies will be balanced.

Forbes Capital Hospitality list

2569. SHRI A. VIJAYARAGHAVAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that India goes missing in the magazine, 'Forbes' Capital Hospitality list of the year 2006;

(b) if so, the reasons therefor;

(c) whether Forbes Capital Hospitality Index, measures macroeconomic factors along with societal factors affecting investment and corruption; and

(d) if so, the steps taken to improve the above factors, if any, as on date?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (d) Forbes Capital Hospitality Index measures macro-economic indicators like GDP growth and international trade along with societal factors affecting investment, including poverty, bureaucracy, technological advancement, and corruption as a one-stop reference as to the degree to which nations are receptive to foreign investment. India has been given an overall scrore of 51.6, China has been given a score of 41.2 whereas Russia has been given a scrore of 40.9 points.

A number of other reports by reputed agencies have highlighted India's potential as an investment destination. Based on a survey among transnational corporations, reported in the United Nations Conference on Trade and Development's (UNCTAD's), World Investment Report, 2006, India has been rated as the second most attractive investment destination. AT Kearney's FDI Confidence Index 2005 places India as the second most attractive investment destination.

The Government has put in place an attractive and investor friendly policy on foreign direct investment, in line with the overall economic policy. FDI policy and associated procedures are reviewed on a continuing basis. The Government has recently undertaken a major rationalization of the FDI policy and the changes have been notified vide Press Note 4 (2006 Series).

New legislative initiatives, viz, the Right to Information Act, and major programmes for the development of social and economic infrastructure will further add to India's attractiveness as an FDI destination.

Steps to control artificial shortage and prices of rubber

2570. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the rubber prices have gone up due to "artificial shortage" and the All India Rubber Industries Association had